**DRAFT**

**Minutes of the Wholesale Market Subcommittee (WMS) Meeting**

**Webex Only**

**Wednesday, February 2, 2022 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Allen, Thresa | Avangrid Renewables |  |
| Barnes, Bill | Reliant Energy Retail Services |  |
| Bierschbach, Erika | Austin Energy |  |
| Burke, Tom | RWE Renewables |  |
| Camet, Brooke | Residential Consumer | Alt. Rep. for Eric Goff |
| Cochran, Seth | DC Energy |  |
| Couch, Andrea | TNMP |  |
| DeLeon, Amanda | Tenaska Power Services |  |
| Detelich, David | CPS Energy |  |
| Farhangi, Anoush | Demand Control 2 |  |
| Franklin, Russell | Garland Power & Light |  |
| Foster, Ashley | The Dow Chemical Company |  |
| Greer, Clayton | Morgan Stanley |  |
| Gross, Blake | AEP Service Corporation |  |
| Haley, Ian | Luminant Generation |  |
| Hunsaker, David | Chariot Energy |  |
| Johnson, Anthony | CenterPoint Energy |  |
| Lange, Clif | South Texas Electric Cooperative |  |
| Lindberg, Ken | Bryan Texas Utilities |  |
| Mauldin, Jamie | City of Eastland |  |
| Nguyen, Andy | Lower Colorado River Authority |  |
| Powell, Christian | Pedernales Electric Cooperative |  |
| Ritch, John | Gexa Energy |  |
| Simpson, Lori | Exelon |  |
| Smith, Mark | Nucor |  |
| Surendran, Resmi | Shell Energy |  |
| Turner, Lucas | South Texas Electric Cooperative | Alt. Rep. for Clif Lange |
| Varnell, John | Tenaska Power Services | Alt. Rep. for Amanda DeLeon |
| Velasquez, Ivan | Oncor |  |
| Wilson, Joe Dan | Golden Spread Electric Cooperative |  |

*Guests:*

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Ainspan, Malcolm | NRG |  |
| Anderson, Connor | AB Power Advisors |  |
| Ashley, Kristy | Customized Energy Solutions |  |
| Bivens, Carrie | Potomac Economics |  |
| Blackburn, Don | Hunt Energy Network Power |  |
| Blakey, Eric | Just Energy |  |
| Breshears, Doug | Brazos Electric Cooperative |  |
| Bruce, Mark | Cratylus Advisors |  |
| Chamberlin, Jennifer | CPower |  |
| Claiborn-Pinto, Shawnee | PUCT |  |
| Coleman, Diana | CPS Energy |  |
| Dreyfus, Mark | MD Energy Consulting |  |
| Evans, Mike | Brazos Electric Cooperative |  |
| Fazio, Danielle | Engelhart |  |
| Goff, Eric | Tesla and TNMP |  |
| Hendrix, Chris | Demand Control 2 |  |
| Henson, Martha | Oncor |  |
| Hubbard, John Russ | TIEC |  |
| Jones, Randy | Mountaineer Market Advisors |  |
| Kee, David | CPS Energy |  |
| Kilroy, Taylor | TPPA |  |
| Kroskey, Tony | Brazos Electric Cooperative |  |
| Lasher, Warren | Lasher Energy |  |
| Lee, Jim | TEC |  |
| Lookadoo, Heddie | Shell Energy |  |
| Lotter, Eric | GridMonitor |  |
| McMurray, Creighton | PUCT |  |
| Petajasoja, Ida | inBalance |  |
| Pokharel, Nabaraj | OPUC |  |
| Rainwater, Kim | Lower Colorado River Authority |  |
| Reedy, Steve | CIM View Consulting |  |
| Reid, Mike | Air Liquide |  |
| Reid, Walter | Advanced Power Alliance |  |
| Rich, Katie | Golden Spread Electric Cooperative |  |
| Sager, Brenden | Austin Energy |  |
| Siddiqi, Shams | Crescent Power Consulting |  |
| Sithuraj, Murali | Austin Energy |  |
| Smith, Caitlin | Southern Power |  |
| Smith, Chase | Southern Power Company |  |
| Thurnher, Greg | MP2 Energy |  |
| Townsend, Aaron | Potomac Economics |  |
| True, Roy | ACES Power |  |
| Uy, Manny | Hunt Energy |  |
| Williams, Lori | BTU |  |
| Wittmeyer, Bob | Longhorn Power |  |
| Wu, Tiffany | PUCT |  |
| Zarnikau, Jay | Frontier Energy |  |
| Zhou, Emily | Potomac Economics |  |

*ERCOT Staff:*

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| --- | --- | --- |
|  |  |  |
| Albracht, Brittney |  |  |
| Anderson, Troy |  |  |
| Ayson, Janice |  |  |
| Billo, Jeff |  |  |
| Boren, Ann |  |  |
| Clifton, Suzy |  |  |
| Dwyer, Davida |  |  |
| Du, Pengwei |  |  |
| Garcia, Freddy |  |  |
| Gonzalez, Ino |  |  |
| Hailu, Ted |  |  |
| Holt, Blake |  |  |
| Hunsucker, Brett |  |  |
| Kane, Erika |  |  |
| Kapiloff, Leonard |  |  |
| Krein, Steve |  |  |
| Maggio, David |  |  |
| Mago, Nitika |  |  |
| Matlock, Robert |  |  |
| Maul, Donald |  |  |
| Moreno, Alfredo |  |  |
| Ögelman, Kenan |  |  |
| Patterson, Mark |  |  |
| Phillips, Cory |  |  |
| Raish, Carl |  |  |
| Roberts, Randy |  |  |
| Rosel, Austin |  |  |
| Ruane, Mark |  |  |
| Sharma, Sandip |  |  |
| Shaw, Pamela |  |  |
| Troublefield, Jordan |  |  |
| Tucker, Don |  |  |
| Urquhart, Thomas |  |  |
| Woodfin, Dan |  |  |
| Xiao, Hong |  |  |

*Unless otherwise indicated, all Market Segments participated in the votes.*

Antitrust Admonition

Resmi Surendran directed attention to the Antitrust Admonition, which was displayed.

Agenda Review

Ms. Surendran reviewed items scheduled for a vote and noted changes to the agenda.

Approval of WMS Meeting Minutes (see Key Documents)[[1]](#footnote-1)

*January 5, 2022*

Market Participants reviewed the January 5, 2022 WMS Meeting Minutes. Ms. Surendran noted this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

Technical Advisory Committee (TAC) Update

Ms. Surendran reviewed the disposition of items considered at the January 31, 2022 TAC meeting, as well as the Annual Reliability Unit Commitment (RUC) Reporting Requirement and the TAC request that WMS review RUC issues, including the Department of Energy order regarding emissions limitations, fuel limitations, and increased RUC activity and potential mechanisms to address the issues.

2022 WMS Working Group Leadership (See Key Documents)

Ms. Surendran presented the 2022 WMS Working Group Leadership and encouraged Market Participants to consider Resource Cost Working Group (RCWG) leadership opportunities. Ms. Surendran noted this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

2022 WMS Goals (see Key Documents)

Market Participants expressed a desire to await development of the 2022 TAC Goals before finalizing 2022 WMS Goals and took no action on this item.

ERCOT Operations and Market Items (see Key Documents)

*Securitization Update*

Kenan Ögelman provided an update on the securitization process pursuant to the Debt Obligation Order issued in Public Utility Commission of Texas (PUCT) Docket No. 52321, Application of Electric Reliability Council of Texas, Inc. for a Debt Obligation Order Pursuant to Chapter 39, Subchapter M, Winter Storm Uri Default Balance Financing and N, Winter Storm Uri Uplift Financing, of the Public Utility Regulatory Act (PURA), noted that Rayburn Electric Cooperative anticipates having securitization financing in February 2022, and reviewed the disbursement process.

*Day-Ahead Market (DAM) Delays*

ERCOT Staff summarized the divergence in Load Distribution factors that impacted the DAM on March 1, 2022, noted that ERCOT resolved the issues, and stated that the DAM did complete by 5:00 p.m.

*NPRR1120, Create Firm Fuel Supply Service*

Sandip Sharma summarized NPRR1120, the request for Urgent status and discussion at the January 31, 2022 TAC meeting, noted that the concepts were consistent with directives from the Legislature in Senate Bill 3 and PUCT Project No. 52373, Approval of Blueprint for Wholesale Electric Market Design and Directives to ERCOT, and stated that in consideration of implementing by Winter 2022-2023, NPRR1120 is narrowly focused on Settlement and billing systems and other requirements would be considered in the forthcoming request for proposal (RFP). Market Participants and ERCOT Staff discussed issues on pricing, outage coordination and approval, definition of service for reliability, need for clarification on the deployment, potential penalties for nonperformance, storage, claw-back, 91 day lookback, and coordination with NPRR1110, Black Start Requirements Update. Mr. Sharma requested Market Participants provide stakeholder comments to NPRR1120 in advance of the February 9, 2022 Protocol Revision Subcommittee (PRS) meeting.

*Update on minimum capacity required from Security-Constrained Economic Dispatch (SCED) dispatchable Resources to provide Non-Spin*

Nitika Mago stated that as ERCOT is reviewing the project and implementation requirements for NPRR1093, Load Resource Participation in Non-Spinning Reserve with an anticipated go-live date of May 2022, ERCOT is also assessing the minimum capacity required from SCED dispatchable Resources to provide Non-Spin and reviewed the timeline for consideration of the issues by the Reliability and Operations Subcommittee (ROS), WMS, and TAC to advance to the April 12, 2022 ERCOT Board meeting. Ms. Surendran encouraged Market Participants to provide comments to ERCOT in advance for stakeholder consideration.

*Annual update to the Congestion Revenue Right (CRR) Activity Calendar*

Market Participants reviewed the ERCOT recommendation for the annual update to the CRR Activity Calendar and noted it was discussed at the January 24, 2022 Congestion Management Working Group (CMWG) meeting. Ms. Surendran noted this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

*Unregistered Distributed Generation (DG) Report 2021 Q4 Update*

Market Participants noted the 4th Quarter 2021 Unregistered DG Report was posted.

New PRS Referrals (see Key Documents)

*Nodal Protocol Revision Request (NPRR) 1112, Elimination of Unsecured Credit Limits*

Market Participants reviewed NPRR1112, noted discussion at the January 19, 2022 Credit Work Group (Credit WG) and Market Credit Working Group (MCWG) and anticipated clarifications, and requested review of the issues by the MCWG. Ms. Surendran noted this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

Wholesale Market Working Group (WMWG) (see Key Documents)

David Detelich reviewed WMWG activities.

Revision Requests Tabled at PRS or ROS and Referred to WMS (see Key Documents)

*NPRR981, Day-Ahead Market Price Correction Process*

*NPRR1058, Resource Offer Modernization for Real-Time Co-Optimization*

*NPRR1067, Market Entry Qualifications, Continued Participation Requirements, and Credit Risk Assessment*

*NPRR1070, Planning Criteria for GTC Exit Solutions*

*NPRR1084, Improvements to Reporting of Resource Outages and Derates*

*NPRR1088, Applying Forward Adjustment Factors to Forward Market Positions and Un-applying Forward Adjustment Factors to Prior Market Positions*

*NPRR1100, Emergency Switching Solutions for Energy Storage Resources*

*NPRR1108, ERCOT Shall Approve or Deny All Resource Outage Requests*

*NPRR1110, Black Start Requirements Update*

*Nodal Operating Guide Revision Request (NOGRR) 215, Limit Use of Remedial Action Schemes*

WMS took no action on these items.

*NPRR1096, Require Sustained Six Hour Capability for ECRS and Non-Spin*

David Detelich summarized NPRR1096 discussion at the January 28, 2022 WMWG meeting and noted that at the January 6, 2022 ROS meeting ROS endorsed NPRR1096 as amended by the 11/3/21 ERCOT comments as revised by ROS to lower the duration requirement to two hours for both ERCOT Contingency Reserve Service (ECRS) and Non-Spinning Reserve (Non-Spin). Some Market Participants expressed concern for the commercial challenges posed by the requirements and offered other solutions. ERCOT Staff summarized the 2/1/22 ERCOT comments and requested WMS endorse NPRR1096 with the 11/3/21 ERCOT comments to address current operational issues and noted that additional solutions could be considered in future Revision Requests.

**Brooke Camet moved to endorse NPRR1096 as amended by 11/3/21 ERCOT comments. Ivan Velasquez seconded the motion. The motion carried with via roll call vote with four objections from the Independent Generator (Luminant) and Independent Retail Electric Provider (IREP) (3) (Demand Control 2, Chariot, Gexa) Market Segments, and nine abstentions from the Cooperative (2) (Golden Spread, LCRA), Independent Generator (3) (Constellation, Avangrid Renewables, RWE Renewables), Independent Power Marketers (IPM) (3) (Shell, Morgan Stanley, Tenaska), and IREP (Reliant) Market Segments.** *(Please see ballot posted with Key Documents.)*

MCWG (see Key Documents)

Brenden Sager reviewed MCWG activities.

Meter Working Group (MWG) (See Key Documents)

Doug Breshears reviewed MWG activities, including the review and consensus to support Settlement Metering Operating Guide Revision Request (SMOGRR) 025, Modifications to Line Loss Compensation Requirement for EPS Metering and NPRR1117, Related to SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering. Mr. Breshears reviewed meter netting schemes discussed at the January 27, 2022 MWG meeting and the MWG proposed loss compensation solution. Don Tucker requested WMS direction on the policy of implementing a Transmission and/or Distribution Service Provider (TDSP) ERCOT Polled Settlement (EPS) Metering Design Proposal that has separate metering and settlement of Load and generation behind a single POI. Market Participants expressed support for implementing a TDSP EPS Metering Design Proposal that has separate metering and Settlement of Load and generation behind a single Point of Interconnection (POI) and did not express a need to have other groups review the concept.

Revision Requests Tabled at WMS (see Key Documents)

*Verifiable Cost Manual Revision Request (VCMRR) 031, Clarification Related to Variable Costs in Fuel Adders*

WMS took no action on this item.

Combined Ballot

**Ian Haley moved to approve the Combined Ballot as follows:**

* **To approve the January 5, 2022 WMS Meeting Minutes as submitted**
* **To confirm the 2022 WMS working group leadership as presented**
* **To approve the annual update to the CRR Activity Calendar as submitted**
* **To request PRS continue to table NPRR1112 for further review by MCWG**

**Bill Barnes seconded the motion. The motion carried unanimously via roll call vote.** *(Please see ballot posted with Key Documents.)*

CMWG (see Key Documents)

Katie Rich reviewed CMWG activities.

Demand Side Working Group (DSWG)

Greg Thurnher reviewed DSWG activities.

Market Settlement Working Group (MSWG)

Heddie Lookadoo offered to coordinate review of any future Settlement issues assigned to MSWG with other WMS working groups to maximize efficiencies for Market Participants and ERCOT Staff.

Supply Analysis Working Group (SAWG) (see Key Documents)

Caitlin Smith reviewed SAWG activities.

Other Business

*Review Open Action Items*

Market Participants removed the below completed item from the WMS Open Action Items list:

* Review potential issues in Reliability Must Run (RMR)/ordering non decommissioning of substation equipment owned by a Generation Owner, including compensation and whether RMR is appropriate (WMWG)

*No Report*

* RCWG

Adjournment

Ms. Surendran adjourned the February 2, 2022 WMS meeting at 11:49 a.m.

1. Key Documents referenced in these minutes may be accessed on the ERCOT website at:

   <https://www.ercot.com/calendar/event?id=1623079794000> [↑](#footnote-ref-1)